

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 10, 2020
FROM:	KELLY SCHERR, P. ENG, MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER RFT 20-05 VETERANS MEMORIAL PARKWAY NORTHWARD EXTENSION AND HURON STREET IMPROVEMENTS

RECOMMENDATION

That on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to the award of contracts for Veterans Memorial Parkway Northward Extension and Huron Street Improvements:

- a) The bid submitted by L82 Construction Ltd. at its tendered price of \$11,248,527.24, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by L82 Construction Ltd. was the lowest of four bids received and meets the City's specification and requirements in all areas;
- b) Stantec Consulting Ltd. (Stantec) **BE AUTHORIZED** Consulting Engineers to complete the contract administration, construction supervision and additional effort required for coordination of utility relocation and stormwater management work required for the said projects in accordance with the estimate, on file, at an upset amount of \$854,882.92, excluding HST, and in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy;
- c) the financing for the project **BE APPROVED** in accordance with the "Sources of Financing Reports" attached hereto as Appendix A;
- d) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- e) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for the material to be supplied and the work to be done relating to this project (Tender 20-05); and,
- f) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Civic Works Committee – December 1, 2015 – Veterans Memorial Parkway North Extension Huron Street to Clarke Road Detailed Design Appointment of

Consulting Engineer

- Build and Natural Environment Committee – February 14, 2011 – Veterans Memorial Parkway Financial Analysis
- Planning Committee – April 12, 2010 – Public Meeting and OPA for Veterans Memorial Parkway
- Municipal Council – October 20, 2008 – Full presentation to Municipal Council related to the recommendations of staff report on the Veterans Memorial Parkway Environmental Assessment and concurrent Official Plan Amendment
- Planning Committee – October 6, 2008 – Statutory Public Meeting, Presentation on the Veterans Memorial Parkway Class Environmental Assessment Environmental Study Report
- Environment and Transportation Committee – July 14, 2008 – Veterans Memorial Parkway Class Environmental Assessment
- Environment and Transportation Committee Presentation – November 12, 2007 – Len Rach, Giffels Consulting and Director of Roads and Transportation Veteran’s Memorial Parkway Interchange Study
- Environment and Transportation Committee – July 17, 2006 - Airport Road Interchanges – Environmental Assessment Study - Consultant Appointment
- Environment and Transportation Committee – February 06, 1996 - Airport Road Extension Environmental Study Report

2019-2023 STRATEGIC PLAN

The following report supports the Strategic Plan through the focus area of Building a Sustainable City by building new transportation, water and sewer infrastructure to meet the long term needs of our community. The extension of this important transportation and economic corridor will contribute to providing convenient and connected mobility choices and facilitating goods movement.

BACKGROUND

Purpose

This report recommends the award of construction tender RFT 20-05 for the Veterans Memorial Parkway (VMP) Northward Extension from Huron Street to Clarke Road and Huron Street Improvements to L82 Construction Ltd. It also recommends that the existing contract with Stantec Consulting Ltd. be extended to include contract administration, construction supervision and additional effort related to coordination of utility work and stormwater management aspects of the project.

Context

VMP is a major north-south corridor on the east side of the City. It conveniently provides access to and from Highway 401 and extends from Wilton Grove Road in the south to Huron Street in the north. VMP is a controlled access road providing a direct link between Highway 401 and the London International Airport and surrounding industrial, residential and agricultural lands. The VMP has been identified as a key component of the City’s transportation system in a number of transportation planning studies completed to date.

The VMP Northward Extension from Huron Street to Clarke Road was identified as a priority project in the Smart Moves 2030 Transportation Master Plan (TMP). This project is an important component and the next implementation phase of the initial VMP Class Environmental Assessment Study completed in 2008.

DISCUSSION

Project Description

The Official Plan has long identified a high order VMP corridor that extends north and connects to Clarke Road. Currently, VMP terminates at Huron Street and the majority of the traffic is forced to go through the Clarke Road and Huron Street Intersection which creates significant traffic congestion particularly during rush hours. Providing a direct connection of VMP to Clarke Road will improve network efficiency and will alleviate the traffic issues and improve the level of service in the area.

The project involves a two-lane extension of VMP north of Huron Street along the alignment illustrated in Figure 1. The two-lanes will match the existing road cross-sections to the north and south. The project design accounts for a future four-lane symmetrical widening as four-lane corridor improvements advances from the south and north. These future projects are currently identified in the second half of the 20-year Development Charges Background Study horizon.

Since the commencement of the detailed design in 2015, opportunities have arisen to coordinate and combine infrastructure works into this contract as the industrial lands surrounding the planned extension have evolved. This contract also delivers the Huron Street Improvements from VMP to the Canadian National Rail tracks which is another project recommended in the Development Charges Background Study to facilitate industrial growth. Combining both projects will reduce overall construction impacts for commuters and nearby residents, as well as provide improved cost-effectiveness. Unique design features and additional components delivered in this project can be seen below:

- Adjusting of the 1.5 km extension of VMP expressway road alignment from Huron Street to Clarke Road to avoid impacts to Hydro One infrastructure;
- New 400 mm diameter watermain along the proposed extension of VMP;
- Introduction of a new signalized intersection at the entrance to the Fanshawe Conservation Area;
- New sanitary sewer services on Huron Street west and east of VMP to service Huron Industrial Lands development and local properties;
- Rehabilitation of an existing section of VMP southerly to Oxford Street East;
- Introduction of a path connection from the proposed signalized intersection of VMP/Clarke Road/Fanshawe Conservation Area entrance to Ted Early Sports Complex;
- Proposed signalized intersection at VMP/Clarke Road/Fanshawe Conservation Area entrance accommodates a future multi-use pathway on the west side of Clarke Road as shown in the Clarke Road Improvements Environmental Assessment;
- Coordination with the Huron Industrial Stormwater Management Facility project; and,

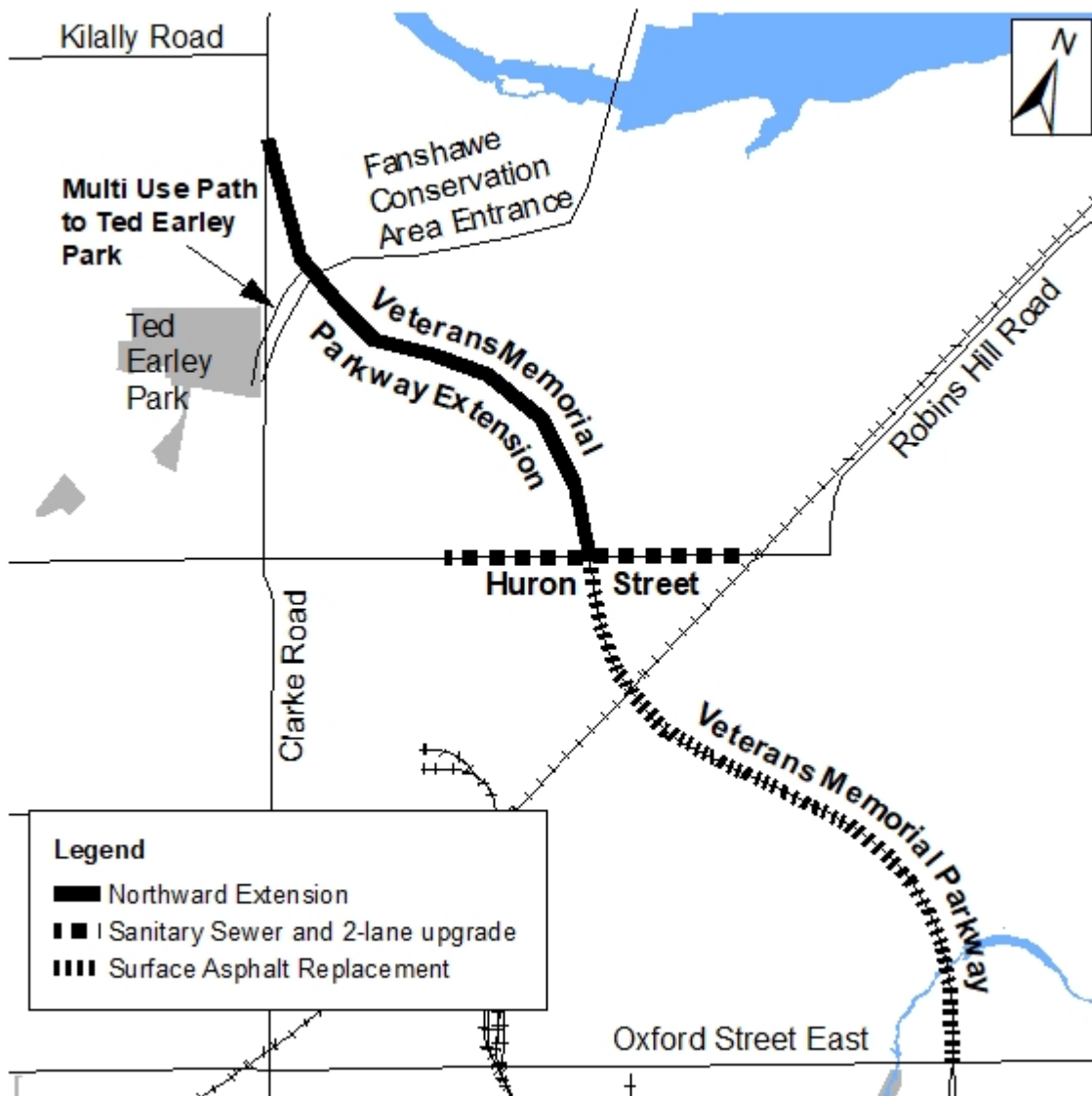
- Other improvements of the existing infrastructure effected by the project such as lighting, signals, stormwater management, etc.

Infrastructure replacement needs have been coordinated within Environmental and Engineering Services and Development and Compliance Services for efficient use of funds during construction. The project budget for the collaborative components in this project have been included in the recommended 2020 Industrial Wastewater and Industrial Water budgets.

The construction is anticipated to commence in Spring 2020. The project is expected to be completed by the end of the 2020 construction season with surface asphalt on Huron Street to be placed in 2021.

Figure 1 shows the location and alignment of the proposed VMP extension, rehabilitation work on existing VMP and sewer work on Huron St. The abandoned section of Clarke Road west of the new intersection with VMP will be grassed with granular base so that existing utilities can be maintained.

Figure 1. Location Map and Proposed Alignment



Traffic Management

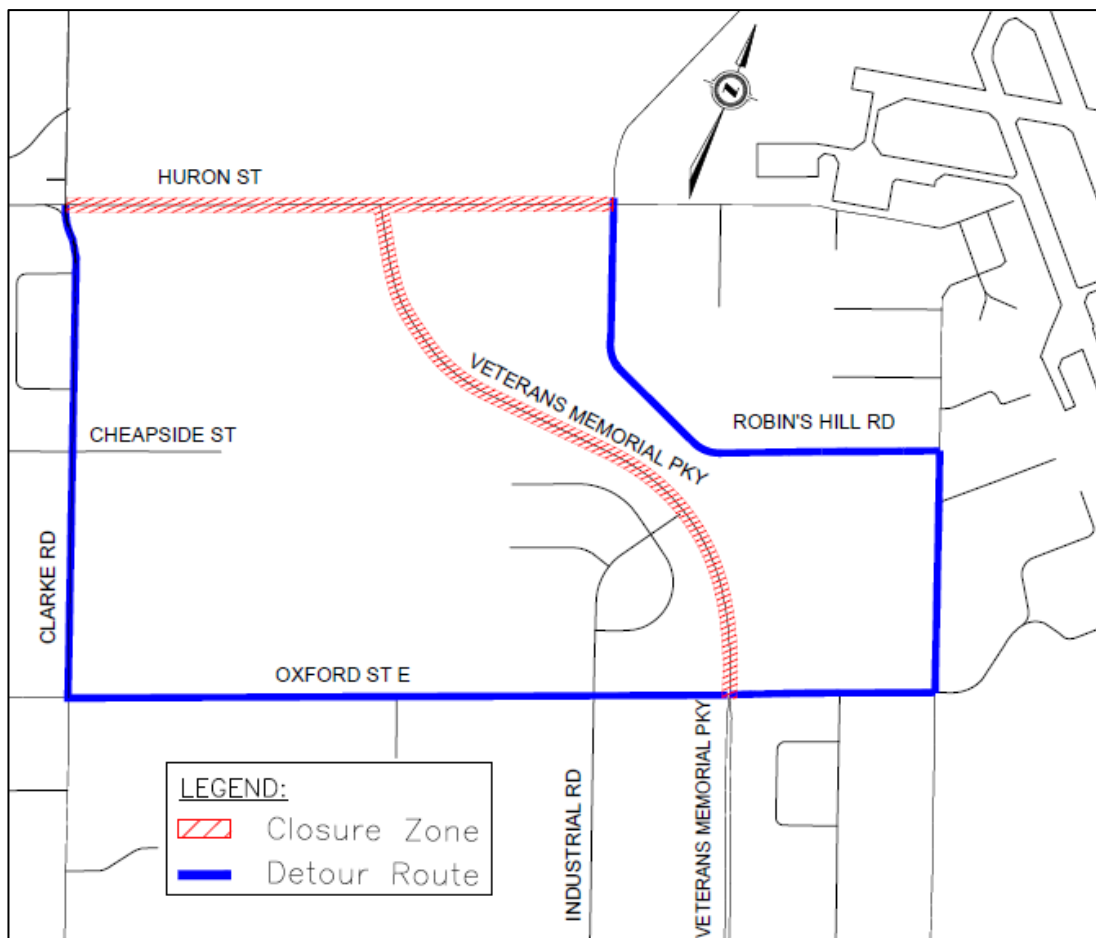
A closure of VMP (from Huron Street to Oxford Street) and Huron Street (from Clarke Road to the CNR tracks) will be required. This closure is necessary for commuter and contractor safety and constructability of both the deep sanitary sewers on Huron

Street and adjustment of the roadway grades at the existing intersection of VMP and Huron Street. The duration of the closure will be minimized as much as possible and is expected to be six to eight weeks long.

The Traffic Management Plan was developed with the most appropriate detour route for this closure shown on Figure 2 below. Communications to raise awareness will be implemented to mitigate impacts to travellers.

The rest of the traffic disruptions will be minor in nature and include localized lane restrictions on Clarke Road and at the entrance to the Fanshawe Conservation Area to be coordinated with UTRCA.

Figure 2: Detour Route for Huron St and VMP Closure



Tender Summary

Tenders for the VMP Northward Extension project (RFT 20-05) were opened on February 11, 2020. Four contractors submitted their prices as listed below, excluding HST:

CONTRACTOR		TENDER PRICE SUBMITTED
1.	L82 Construction Ltd.	\$11,248,527.24
2.	J-AAR Excavating Limited	\$12,691,314.60
3.	Bre-Ex Construction Inc.	\$13,062,515.22
4.	Aecon Construction and Materials Limited	\$17,425,623.03

All tenders have been checked by Stantec Consulting Ltd. and the Environmental and Engineering Services Department and include a \$1,200,000 contingency amount. No mathematical errors were found. The result of the tendering process indicated a

competitive process. The engineering estimate for this project was \$14,555,170, excluding HST. The submitted bid by L82 Construction Ltd. is in line with the tender estimate that was prepared prior to the tender opening.

Consulting Services

Stantec was awarded the detailed design of the Veteran’s Memorial Parkway North Extension project on December 1, 2015 after a competitive process. Due to the consultant’s knowledge and positive performance on the detailed design, the consultant was invited to submit a proposal to carry out the contract administration, construction supervision and additional effort related to coordination of utility work and stormwater management aspects of the project. Staff have reviewed the fee submission, including the time allocated to each project task, along with hourly rates provided by each of the consultant’s staff members. That review of assigned personnel, time per project task, and hourly rates were consistent with other infrastructure assignments of similar scope.

The continued use of Stantec on this project for construction administration is of financial advantage to the City because the firm has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected. The City’s construction administration requirement for the creation of record drawings following construction requires the reviewing professional engineer to seal the drawings based on field verification and ongoing involvement. This requirement promotes consultant accountability for the design. Consequently, the continued use of the consultant who created and sealed the design drawings is required in order maintain this accountability process and to manage risk.

In accordance with Section 15.2(g) of the Procurement of Goods and Services Policy, Civic Administration is recommending that Stantec Consulting Ltd. be authorized to carry out the contract administration for the VMP Northward Extension and Huron Street Improvements projects for a fee estimate of \$854,882.92, excluding HST. The approval of this work will bring the value of the overall consulting assignment to \$1,263,241.92, excluding HST. These fees include additional effort related to utility and stormwater management coordination and the new sanitary sewer and related roadway improvements on Huron Street. Adding the planned Huron Street improvements to this project provides cost efficiencies associated with traffic staging and contractor mobilization and will minimize future traffic disruption as compared to undertaking a separate project.

Operating Costs

Anticipated annual operating costs associated with the additional infrastructure is summarized below:

Service Area	Rationale	Increase in Annual Operating Costs
Roadside Operations	Additional Roadway	\$52,876
Forestry Operations	Additional trees	\$8,290
Parks Operations	Additional vegetation and multi-use path	\$38,000
Water Operations	Additional watermain along VMP extension	\$600
Sewer Operations	Additional sewers along Huron Street	\$950
Traffic Signals	Additional traffic signal at VMP/Clarke	\$7,292
Street Lighting	Additional street lighting at intersections	\$1,336

CONCLUSION

The VMP Northward Extension is identified in the London Plan and transportation planning documents. The project will create network efficiencies, address local traffic deficiencies, accommodate future growth and development and improve active transportation and safety through introducing a new signalized intersection and pathway. The coordinated Huron Street Improvements will facilitate employment lands development. Staff recommend that the construction contract for the VMP Northward Extension and Huron Street Improvements be awarded to L82 Construction Ltd. in the amount of \$11,248,527.24, excluding HST. Upon Council approval and contract award, staff will confirm a schedule with the contractor and initiate a communication program for the various construction locations.

It is also recommended that in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, Stantec Consulting Ltd. be authorized to carry out the construction administration and coordination to complete this project for a fee estimate of \$854,882.92, excluding HST.

PREPARED BY:	REVIEWED & CONCURRED BY:
GARFIELD DALES, P. ENG. DIVISION MANAGER TRANSPORTATION PLANNING & DESIGN	DOUG MACRAE, P.ENG. DIRECTOR, ROADS AND TRANSPORTATION
RECOMMENDED BY:	
KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER	

Attach: Appendix A: Source of Financing

cc: John Freeman, Manager, Purchasing and Supply
 Gary McDonald, TCA
 Andrew Macpherson, Parks Planning and Operations
 Aaron Rozentals, Water Engineering
 Chris McIntosh, Industrial Lands Development
 Kevin Graham, Sewer Engineering
 Brian Nourse, Construction Administration
 Peter Kavcic, Transportation Planning and Design
 Paul Yanchuk, Transportation Planning and Design
 L82 Construction Ltd., 2070 Huron Street, London ON, N5V 5A7
 Stantec Consulting Ltd., 171 Queens Avenue, 6th Floor, London ON, N6A 5J7

APPENDIX 'A'

Chair and Members
Civic Works Committee

#20026
March 10, 2020
(Award Contract)

RE: Contract Award: Tender RFT 20-05
Veterans Memorial Parkway Northward Extension and Huron Street Improvements
(Subledger RD150022)
Capital Project TS1621-1 - Veterans Memorial Pky - Huron St to Clarke Road
Capital Project TS1410 - Huron Street Upgrades VMP Easterly to Railway
Capital Project TS144620 - Road Networks Improvements (Main)
Capital Project ID2195 - Watermain Industrial
Capital Project ID1057 - Industrial Wastewater Servicing Works
Capital Project PK212419 - New Thames Valley Parkway
L82 Construction Ltd. - \$11,248,527.24 (excluding H.S.T.)
Stantec Consulting Ltd. (Stantec) - \$854,882.92 (excluding H.S.T.)

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

<u>SUMMARY OF ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
<u>TS1621-1 - Veterans Memorial Pky - Huron St to Clarke Road</u>				
Engineering	\$1,254,700	\$450,857	\$503,028	\$300,815
Land Acquisition	1,850,515	403,192		1,447,323
Construction	7,153,685	33,306	7,120,379	0
Utilities	2,018,000	254,334		1,763,666
City Related	100,000	215		99,785
	<u>12,376,900</u>	<u>1,141,904</u>	<u>7,623,407</u>	<u>3,611,589</u>
<u>TS1410 - Huron Street Upgrades VMP Easterly to Railway</u>				
Engineering	154,767		154,767	0
Construction	1,606,324		1,606,324	0
Utilities	13,309			13,309
City Related	20,000			20,000
	<u>1,794,400</u>	<u>0</u>	<u>1,761,091</u>	<u>33,309</u>
<u>TS144620 - Road Networks Improvements (Main)</u>				
Engineering	1,000,000	114,731	22,114	863,155
Construction	11,196,200	1,005,306	367,846	9,823,048
	<u>12,196,200</u>	<u>1,120,037</u>	<u>389,960</u>	<u>10,686,203</u>
<u>ID2195 - Watermain Industrial</u>				
Engineering	500,000		78,551	421,449
Construction	4,434,053	645,586	981,828	2,806,639
	<u>4,934,053</u>	<u>645,586</u>	<u>1,060,379</u>	<u>3,228,088</u>
<u>ID1057 - Industrial Wastewater Servicing Works</u>				
Engineering	1,000,100	494,382	100,886	404,832
Construction	7,250,000	4,515,097	1,353,343	1,381,560
	<u>8,250,100</u>	<u>5,009,479</u>	<u>1,454,229</u>	<u>1,786,392</u>
<u>PK212419 - New Thames Valley Parkway</u>				
Engineering	650,000		10,583	639,417
Construction	2,849,100		16,781	2,832,319
	<u>3,499,100</u>	<u>0</u>	<u>27,364</u>	<u>3,471,736</u>
NET ESTIMATED EXPENDITURES	<u>\$43,050,753</u>	<u>\$7,917,006</u>	<u>\$12,316,430</u> 1)	<u>\$22,817,317</u>
<u>SUMMARY OF FINANCING:</u>				
<u>TS1621-1 - Veterans Memorial Pky - Huron St to Clarke Road</u>				
Capital Levy	\$55,400	\$55,400		\$0
Debenture Quota	664,580		440,366	224,214
Drawdown from Industrial Oversizing R.F.	48,400	15,491	32,909	0
Drawdown from City Services - Roads Reserve Fund (Development Charges)	2) 11,608,520	1,071,013	7,150,132	3,387,375
	<u>12,376,900</u>	<u>1,141,904</u>	<u>7,623,407</u>	<u>3,611,589</u>

APPENDIX 'A'

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#20026
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(Award Contract)

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Stantec Consulting Ltd. (Stantec) - \$854,882.92 (excluding H.S.T.)

		<u>Approved Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
<u>TS1410 - Huron Street Upgrades VMP Easterly to Railway</u>					
Debenture Quota	4a)	246,232		241,661	4,571
Drawdown from City Services - Roads Reserve Fund (Development Charges)	2)	1,548,168		1,519,430	28,738
		<u>1,794,400</u>	<u>0</u>	<u>1,761,091</u>	<u>33,309</u>
<u>TS144620 - Road Networks Improvements (Main)</u>					
Capital Levy		22,107	22,107		0
Debenture Quota		1,582,505			1,582,505
Drawdown from Capital Infrastructure Gap R.F.		1,679,160			1,679,160
Federal Gas Tax		8,912,428	1,097,930	389,960	7,424,538
		<u>12,196,200</u>	<u>1,120,037</u>	<u>389,960</u>	<u>10,686,203</u>
<u>ID2195 - Watermain Industrial</u>					
Drawdown from City Services - Water Reserve Fund (Development Charges)	2)	4,934,053	645,586	1,060,379	3,228,088
<u>ID1057 - Industrial Wastewater Servicing Works</u>					
Drawdown from City Services - Wastewater Reserve Fund (Development Charges)	2)	1,000,100	1,000,100		0
Debenture By-law No. W.-5643-22 (Serviced through City Services - Wastewater R.F. (Development Charges))	2) & 5)	7,250,000	4,009,379	1,454,229	1,786,392
		<u>8,250,100</u>	<u>5,009,479</u>	<u>1,454,229</u>	<u>1,786,392</u>
<u>PK212419 - New Thames Valley Parkway</u>					
Capital Levy		296,625		10,545	286,080
Debenture Quota	4b)	1,051,733			1,051,733
Drawdown from City Services - Parks & Rec Reserve Fund (Development Charges)	2)	2,150,742		16,819	2,133,923
		<u>3,499,100</u>	<u>0</u>	<u>27,364</u>	<u>3,471,736</u>
TOTAL FINANCING		<u>\$43,050,753</u>	<u>\$7,917,006</u>	<u>\$12,316,430</u>	<u>\$22,817,317</u>

ENGINEERING

1) **FINANCIAL NOTE:**

	<u>TS1621-1</u>	<u>TS1410</u>	<u>TS144620</u>	<u>ID2195</u>
Contract Price	\$494,327	\$152,090	\$21,732	\$77,192
Add: HST @13%	64,263	19,772	2,825	10,035
Total Contract Price Including Taxes	558,590	171,862	24,557	87,227
Less: HST Rebate	55,562	17,095	2,443	8,676
Net Contract Price	<u>\$503,028</u>	<u>\$154,767</u>	<u>\$22,114</u>	<u>\$78,551</u>
	<u>ID1057</u>	<u>PK241419A</u>	<u>Total</u>	
Contract Price	\$99,142	\$10,400	\$854,883	
Add: HST @13%	12,888	1,352	111,135	
Total Contract Price Including Taxes	112,030	11,752	966,018	
Less: HST Rebate	11,144	1,169	96,089	
Net Contract Price	<u>\$100,886</u>	<u>\$10,583</u>	<u>\$869,929</u>	

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CONSTRUCTION

	<u>TS1621-1</u>	<u>TS1410</u>	<u>TS144620</u>	<u>ID2195</u>
Contract Price	\$6,997,227	\$1,578,542	\$361,484	\$964,847
Add: HST @13%	909,640	205,210	46,993	125,430
Total Contract Price Including Taxes	7,906,867	1,783,752	408,477	1,090,277
Less: HST Rebate	786,488	177,428	40,631	108,449
Net Contract Price	<u>\$7,120,379</u>	<u>\$1,606,324</u>	<u>\$367,846</u>	<u>\$981,828</u>
	<u>ID1057</u>	<u>PK241419A</u>	<u>Total</u>	
Contract Price	\$1,329,936	\$16,491	\$11,248,527	
Add: HST @13%	172,892	2,144	1,462,309	
Total Contract Price Including Taxes	1,502,828	18,635	12,710,836	
Less: HST Rebate	149,485	1,854	1,264,335	
Net Contract Price	<u>\$1,353,343</u>	<u>\$16,781</u>	<u>\$11,446,501</u>	
TOTAL CONSTRUCTION & ENGINEERING			<u>\$12,316,430</u>	

- 2) Development Charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2019.
- 3) Additional annual operating costs attributed to additional infrastructure as follows: Roadside Operations - \$52,876, Forestry Operations - \$8,290, Parks Operations - \$38,000, Water Operations - \$600, Sewer Operations - \$950, Traffic Signals - \$7,292 and Street Lighting - \$1,336.

Note to City Clerk:

- 4) Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality from the Ministry of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.
 - a) An authorizing by-law should be drafted to secure debenture financing for project TS1410 - Huron Street Upgrades VMP Easterly to Railway for the net amount to be debentured of \$246,232.00.
 - b) An authorizing by-law should be drafted to secure debenture financing for project PK212419 - New Thames Valley Parkway for the net amount to be debentured of \$1,051,733.00.
- 5) The City Clerk be authorized to increase Debenture By-law No. W.-5643-22 by \$2,250,000.00 from \$5,000,000.00 to \$7,250,000.00.

lp

Jason Davies
Manager of Financial Planning & Policy